

March 10, 2021

House Committee on Housing,  
900 Court Street NE, Room 453  
Salem, OR 97301

<https://olis.oregonlegislature.gov/liz/2021R1/Testimony/HHOUS>

RE: Support for HB 2578

Dear Chair Fahey, Vice Chairs Campos and Morgan, and Members:

I support HB 2578 and I hope you will too. I live in Astoria/Clatsop County where a lack of housing supply and affordability makes it challenging for modest wage workers to find homes to rent or buy, and is a crisis for low income residents, especially seniors and the Latinx workforce on whose labor our fishing, agriculture and hospitality industries are reliant. I serve on Astoria's Homelessness Solutions Task Force and it is universally agreed that increasing the supply of affordable housing is the primary need in our community.

Oregon's housing crisis demands action

By making two common sense changes to the Mortgage Interest Deduction (MID) - phasing out the deduction for the richest Oregonians and, at a time when some Oregonians do not have a roof over their heads, eliminating the deduction for owners of vacation homes - **HB 2578** would free up more than a hundred million each budget period to invest in confronting the statewide housing crisis. Such resources could build starter homes, keep struggling homeowners in their own homes, help struggling renters avoid eviction, and house children in families currently without a home.

Our current MID is one of our state and country's primary structural reasons why the wealth disparity gets worse every year. Most of the benefit goes to higher end, mainly White, housing-secure homeowners, as opposed to helping lower income Oregonians buy and maintain their first home. The deduction exacerbates racial wealth disparities built up over generations, as well as the urban-rural divide, as a disproportionate share of the subsidy flows to urban areas.

Renters, by definition, get nothing from this subsidy.

Following a year of racial reckoning led by the Black Lives Matter movement, many more White Americans have awakened to racial disparities, not only in policing, but also in wealth disparities in our country. Reforming the MID is a tangible and immediate way to address racial wealth disparities.

By supporting HB 2578, you will be part of creating the change Oregon's families need: A modest MID reform frees up hundreds of millions of dollars to confront the housing crisis. By

investing our housing subsidy dollars where they are needed most, we can help ensure every Oregonian has a place to call home. Please support HB 2578.

Thank you,

*Kate Allen*

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